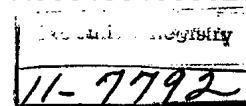


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22 September 1959

MEMORANDUM FOR: Director of ~~Central Intelligence~~


SUBJECT: S.1502 - A Bill to Provide for
Adjustments in the Annuities
Under the Foreign Service
Retirement System

1. This memorandum is for information only.
2. Last month, after reading an article in the DACOR Bulletin, you inquired about the status of S.1502. As introduced by Senator Sparkman, this bill would have automatically increased Foreign Service retirement annuities when salaries of active Foreign Service officers were increased.
3. In a memorandum of 21 August 1959 to you, I offered the opinion that the statements in the DACOR Bulletin were far too optimistic concerning the early passage of the bill in its original form. Major changes were made in the bill before it was reported out by the Senate Foreign Relations Committee. The automatic increase provision was withdrawn in its entirety but the bill did contain provision for a 10% increase in Foreign Service retirement annuities. The amended bill was passed by the Senate and is now pending in the House.
4. I am attaching for your information a copy of the Senate Foreign Relations Committee report on this bill. You will note on Page 2 of the report that the Senate Foreign Relations

Committee feels that in the near future, the Congress should consider the disparity of benefits as between the retirement system for military personnel and that applied to civilian personnel in the Government.

5. We shall continue to follow this bill next year and shall keep you advised of developments as they occur.

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JOHN S. WARNER
Legislative Counsel

Attachments - 2
S.1502
S.Rept. 837